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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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1. Retail trade in the town of Samokov is controlled by three different retail trade organizations: Gradska Turgoviya (City Commerce), Narkoop (People's Cooperative), and Narmag (People's Stores). The most important and largest of these is the Gradska Turgoviya, founded in 1949. It is controlled by the Central Administration of Local Trade (Tsentralna Upravleniya na Mestna Turgoviya) of the Ministry of Internal Trade. The Gradska Turgoviya falls within the framework of the Municipal Council, and is located in the Municipal Building in the center of town. It is under the direct control of the mayor, and has a staff of approximately 20 persons, including a Director, and four department Chiefs for Commerce, Restaurants, Accounts, and Financial Control, respectively. Narkoop is a cooperative enterprise, and Narmag, the smallest of the three, is a government enterprise.
2. These three retail trade organizations are responsible for supplying the foodstuffs and industrial products to the urban population of Bulgaria, and they control all retail trade outlets and stores in all towns in Bulgaria. In the larger towns, Narmag, with its numerous branches, is usually the largest. The Gradska Turgoviya, which serves as one of the most important sources of income to Municipal Councils, is usually next in size, followed by Narkoop, which is the smallest. The Gradska Turgoviya, however, enjoys the predominant position in Samokov, largely because it was founded in 1949. Narmag which was not founded until 1951, has not yet approached the size of the other two enterprises.
3. All retail trade outlets and stores in Samokov are divided by these three retail trade organizations in the following manner:
  - a. The Gradska Turgoviya controls 20 grocery stores, five restaurants, seven bars, eight kiosks, and one textile shop which was scheduled to open in 1954;

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- b. Narkoop controls nine grocery stores, five textile stores, one shoe store, and five kiosks; and
- c. Narmag controls two textile stores, one hardware store, and one furniture store.

Gradska Turgoviya controls all restaurants and bars, although the other two organizations are known to operate similar outlets in other towns in Bulgaria. There are no privately-owned stores in Samokov.

4. The procedure of supplying these stores with goods is as follows. Each retail trade organization must prepare detailed orders (Zayaka) for all the goods they estimate they will need for the coming year. These orders are prepared several months before the end of the current year, and are broken down into quarterly periods. The completed plans are sent to the Commercial Department of the District Council, and copies are forwarded to the respective Central Administrations of the retail trade organizations. The Commercial Department of the District Council collects the yearly orders of all retail trade enterprises in its area, and prepares an overall plan which is submitted to the Commercial Department of the Provincial Council. This body then forwards the overall plans to the Ministry of Internal Trade, which approves the plans and returns them via the same bodies to the District Councils. The latter organization then summons the managers of the retail trade associations in its area to a meeting where allotments to individual organizations are made.
5. After allotments are made, goods are purchased by the retail trade organizations from wholesale marketing organizations. All foodstuffs, for instance, are purchased from the Bakalske Stoki, while textiles, clothing, footwear, and luxury goods are purchased from the Oblekoi Obuvki. Building materials and hardware are purchased from the Stroy Matmetiz.
6. In 1953 the annual turnover of the Gradska Turgoviya was 20 million leva, 12 million of which came from its stores, and eight million of which came from the restaurants and bars. According to the 1953 plan this organization was scheduled to make a net profit of 400,000 leva, but due to the realization of additional profits after the price increases of 1953, actual net profits were 480,000 leva. The annual turnover of Narkoop during the same period was 12 million leva, while Narmag was seven million leva.
7. Retail prices and methods of operation are uniform in all three retail organizations, and are adjusted according to the directives of the Ministry of Internal Trade. The following example indicates the method by which retail prices are calculated, and how the profit is divided. Cotton cloth for underwear (known as "American cloth") costs six leva to produce. The retail price is 12 leva, constituting a 100 per cent mark-up. Two per cent of this profit goes to the wholesale organization; four per cent of the profit is retained by the retail trade organization; and 94 per cent of the profit goes to the State Treasury as prescribed in paragraph four of the State Budget Revenue Ordinance. Although the percentage of the mark-up varies, the above organizations still receive the same percentage of the profit.
8. The foodstuffs and consumer goods furnished to the retail trade organizations in Samokov are not sufficient for the needs of the town. During 1953, for example, the Gradska Turgoviya sold approximately 80 tons of sugar, 50 tons of rice, and 100 tons of assorted cheese. Although the supply of these three commodities might have been enough for the town itself, peasants from neighboring villages also purchased the items. The authorities, who wished to induce the peasants to increase production and achieve self-sufficiency, did not supply the peasant

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villages with adequate amounts of the above foodstuffs, and thereby forced the peasants to purchase these items in town.

9. The Borish Khadzhi Sotirov (formerly Slatina) cotton weaving mill is located on the Samokov-Sofia highway, approximately two kilometers from Samokov. It employs approximately 450 men working in two shifts. The main products of this mill are Amerikanka and khaki dog cloth. The mill has no facilities for dyeing or finishing. It has 200 old German Schohner type looms in 70 and 140 centimeter widths.
10. The Samokovska Komuna (formerly Musala) wool products factory is located near the Iskir River on the road to Borovets (N 42-16, E 23-36). It employs approximately 500 men in three shifts. The factory has a spinning mill with six spinning machines (the number of spindles is not known), a weaving mill with 60 looms, and a finishing plant.
11. The Rilski Len flax factory, located near the Boris Khadzhi Sotirov mill is a large modern plant erected in 1949 or 1950. Before 1954 it employed approximately 100 workers; however, in 1954, new Soviet-made spinning machines were installed. The current output and number of employees are not known.
12. There is a small saw mill near the Boris Khadzhi Sotirov and Rilski Len plants. It has two or three frame saws and employs approximately 100 workers.

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